Andrew N. Pollak, M.D. CHAIR

STATE OF MARYLAND

Ben Steffen EXECUTIVE DIRECTOR



## MARYLAND HEALTH CARE COMMISSION

4160 PATTERSON AVENUE – BALTIMORE, MARYLAND 21215 TELEPHONE: 410-764-3460 FAX: 410-358-1236

August 13, 2019

Howard L. Sollins, Esquire Baker Donaldson 100 Light Street Baltimore Maryland 21202

Re: Acquisition of Fort Washington Medical Center, Inc.

Dear Mr. Sollins:

I write in response to your letter of July 22, 2019 notifying the Maryland Health Care Commission ("Commission") of the plan by Adventist HealthCare, Inc. ("AHC") to acquire Fort Washington Medical Center, Inc. ("FWMC") and requesting a determination with respect to Certificate of Need requirements associated with this transaction. The letter indicates that this transaction is anticipated to occur on or around October 1, 2019. AHC intends to form a whollyowned subsidiary, Adventist HealthCare Fort Washington Medical Center, Inc., that will acquire substantially all of the assets of FWMC, a general hospital. This subsidiary will also acquire all of the membership interests in Fort Washington Urgent Care NOW, L.L.C. currently held by Fort Washington Ambulatory Services, L.L.C., an affiliate of FWMC.

Your letter states that the bed capacity and services currently provided by Fort Washington Medical Center will not change as a result of the acquisition by AHC.

I have determined that timely notice of this transaction was provided and that the information required for inclusion in a notice of acquisition of a health care facility, as described at COMAR 10.24.01.03A, was also provided. The transaction does not require Certificate of Need or other regulatory review by the Commission. This determination of coverage is valid for a period not to exceed 180 days. Please provide a notice of completion of this transaction, signed by both parties, stating the date the acquisition was effective. A copy of the notice of completion of the acquisition should also be sent to the Office of Health Care Quality of the Maryland Department of Health. Failure to document completion of the acquisition by the end of this 180-day period will require another determination of coverage.

Howard L. Sollins, Esquire August 13, 2019 Page 2

If you have any questions, please contact Kevin McDonald, Chief, Certificate of Need, at 410-764-5982.

Sincerely,

Ben Steffen

**Executive Director** 

cc: Katie Wunderlich, Executive Director, Health Services Cost Review Commission Patricia Nay, M.D., Executive Director, Office of Health Care Quality, MDH Ernest L. Carter, M.D., Ph.D., Acting Health Officer, Prince George's County Kevin McDonald, Chief, Division of Certificate of Need Suellen Wideman, Assistant Attorney General

# BAKER DONELSON

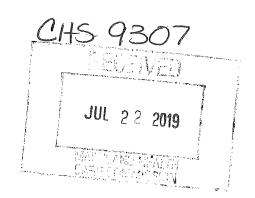
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HOWARD L. SOLLINS, SHAREHOLDER

Direct Dial: 410-862-1101 Direct Fax: 443-263-7569

E-Mail Address: HSOLLINS@bakerdonelson.com

July 22, 2019



Mr. Ben Steffen Executive Director Maryland Health Care Commission 4160 Patterson Avenue Baltimore, Maryland 21215

**Re:** Determination Request:

Adventist HealthCare Acquisition of Fort Washington

**Medical Center** 

Dear Mr. Steffen:

This is a request for a determination from the Maryland Health Care Commission (the "Commission") under COMAR 10.24.01.03A that a certificate of need ("CON") is not required for Adventist HealthCare, Inc. ("AHC") to acquire Fort Washington Medical Center, an acute care hospital, and a related entity providing urgent care and non-emergency physician services (the "Transaction"). This Transaction will constitute an acquisition of a health care facility pursuant to COMAR 10.24.01.01.B(1). Closing on the Transaction is planned for October 1, 2019. Accordingly and as required by COMAR 24.01.03.A, we are providing the Commission with at least 30 days advance notice of the proposed transaction.

#### The Transaction

AHC is forming a wholly owned subsidiary, Adventist HealthCare Fort Washington Medical Center, Inc. ("AHC-FW"). AHC-FW will acquire substantially all of the assets of Fort Washington Medical Center, Inc. ("FWMC") and all of the membership interests in Fort Washington Urgent Care NOW, LLC ("FWUC") currently held by Fort Washington Ambulatory Services, LLC, an affiliate of FWMC. No change in FWMC beds or services will occur as a result of the asset transfer. FWUC is not a "health care facility" under the CON law.

### **FWMC Health Care Beds and Services**

FWMC operates in Prince George's County. FWMC provides medical and surgical services, physician services and imaging services including CT, mammography, ultrasound and nuclear medicine. FWMC is currently licensed for 28 acute care hospital beds of which 4 beds are critical care beds. FWMC has 3 mixed use operating rooms (plus procedure rooms), operates a 24/7 emergency department with 18 treatment spaces (plus non-treatment spaces) and uses its licensed hospital beds for both inpatient services and observation.

# FWMC Admissions and Gross Operating Revenues

- FWMC had 2,064 admissions in Calendar Year 2018.
- In Fiscal Year 2018, FWMC had gross operating revenues of \$54,041,865.

Accordingly, the AHC requests a determination that the Transaction does not require a CON.

If you have any questions, do not hesitate to contact me at 410-862-1101.

Sincerely,

Howard L. Sollins

cc:

Mr. Robert Jepson

Mr. Paul Parker

Mr. Kevin McDonald

Ms. Ruby Potter

Ernest M. Carter, M.D., Ph.D., Health Officer

Tricia Nay, M.D., Director OHCQ

Renee Webster, OHCQ